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6 UNITED STATES BANKRUPTCY COURT
7 IN AND FOR THE EASTERN DISTRICT OF CALIFORNIA
8 SACRAMENTO DIVISION

9 In re:

Case No. 14-28695-B-7

Chapter 7

10 DONALD A. HILDEBRAND, II and
11 ELLEN M. WHITE,

**TRUSTEE'S STATUS REPORT
AND REQUEST FOR REFERRAL
TO THE COURT'S BANKRUPTCY
DISPUTE RESOLUTION
PROGRAM**

12 Debtors.

13 Date: February 7, 2017
14 Time: 9:30 A.M.
15 Dept: B
16 Courtroom: 32
17 Location: Robert T. Matsui United
States Courthouse,
501 I Street, 6th Floor
Sacramento, CA 95814

18 Judge: Christopher D. Jaime

19 John Bell, Chapter 7 Trustee, (hereinafter referred to as the "Trustee")
20 does hereby respectfully submits this Status Report, pursuant to the Order
21 Continuing Status Conference issued by the Court on December 5, 2016
22 (ECF 243).

23 The Trustee has discontinued all efforts to sell the real property located
24 at 120 Marble Canyon Drive, Folsom, California 95632 (hereinafter referred
25 to as the "Marble Canyon Property"), which is the Debtors' residence, but
26

1 which has not been claimed as exempt by the Debtors.

2 The Trustee obtained an order from this Court authorizing him to sell the
3 estate's interest and the co-owner's interest in real property located at 1112
4 West Vernal Way, Stockton, California 95203 (hereinafter referred to as the
5 "Vernal Way Property"). It is respectfully requested that the Court take judicial
6 notice of said order (ECF 260). The escrow established to effectuate the sale
7 of the Vernal Way Property on Monday, June 30, 2017. The Trustee is
8 awaiting receipt of the proceeds of sale, and as soon as the proceeds are
9 received from First American Title, will file a Report of Sale.

10 A number of issues remain to be resolved with the Debtors regarding
11 the Marble Canyon Property, the estate's interest in insurance proceeds
12 totaling \$6,720.46, relating to a 2003 Chevy Trailblazer valued at \$2,000, and
13 exempted in that amount under Section 703.14(b)(2) of the California Civil
14 Code, and the estate's interest in a 2011 Chevy Silverado, valued at \$25,000,
15 in which portions of the Debtors' exemptions were disallowed.

16 In addition, there are issues relating to amounts which may be due to
17 the estate or Mr. Hildebrand, by R&L Business Management, which R&L
18 Business Management, by and through its attorneys Felderstein
19 Fitzgerald Willoughby & Pascuzzi, has offered to resolve by payment of
20 \$20,000, in exchange for a full release by Mr. Hildebrand and the estate.

21 In order to resolve all of these issues and reach a global settlement
22 with the Debtors, Mr. Bell, the Trustee, has been negotiating directly with
23 the Debtors. Most recently, on December 7, 2016, Mr. Bell sent a written
24 settlement proposal by email and mail. The settlement proposal was not
25 accepted. Mr. Hildebrand and the Trustee spoke by phone on December
26 16, 2016. Mr. Hildebrand informed the Trustee that there will be a counter

1 to the proposal, but none has been forthcoming.

2 Issues remain to be resolved. The Trustee believes that consensual
3 resolution would be in the best interest of the estate, the creditors, and all
4 concerned.

5 The Trustee does hereby advise the Court that he is amenable to
6 engaging in the Court's Bankruptcy Dispute Resolution Program, and
7 respectfully requests that the various disputes with the Debtors be referred
8 to the Court's Bankruptcy Dispute Resolution Program.

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10 Dated: January 31, 2017

Respectfully submitted,

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12 **PINO & ASSOCIATES**

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15 By: 

16 Estela O. Pino, Attorneys
17 for John Bell, Chapter 7 Trustee
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